

Virginia

HOME SALES
REPORT

NOVEMBER 2019

Virginia Home Sales Report

November 2019

Summary

Economic Conditions

- Job growth in Virginia rebounded in November, with a gain of 42,200 new jobs.
- The state's largest economic sectors, including healthcare and professional services, continue to post strong gains.
- Virginia's unemployment rate was 2.4% in November. Extremely low unemployment continues to be a constraint on employers looking for workers.

Housing Market Conditions

- Home sales declined in November compared to last year, the first slowdown since early summer. There were 8,909 sales overall in Virginia, 223 fewer than last November, a 2% drop.
- Home prices continue to climb in local markets throughout the Commonwealth. The overall state median sales price rose by more than \$8,000 in November to \$288,114, a 3% gain.
- There were about 31,827 active listings on the market throughout the state at the end of November, down 19% from a year ago. There are approximately 3.1 months of supply statewide.
- The average days on market in Virginia was 51 days in November, down 4 days from last year.

Virginia REALTORS® Market Report Key Takeaways

Economic conditions in Virginia improved in November, and consumer confidence rebounded.

Mortgage rates are fluctuating, but all signs are for rates to remain below 4% for at least the next few months.

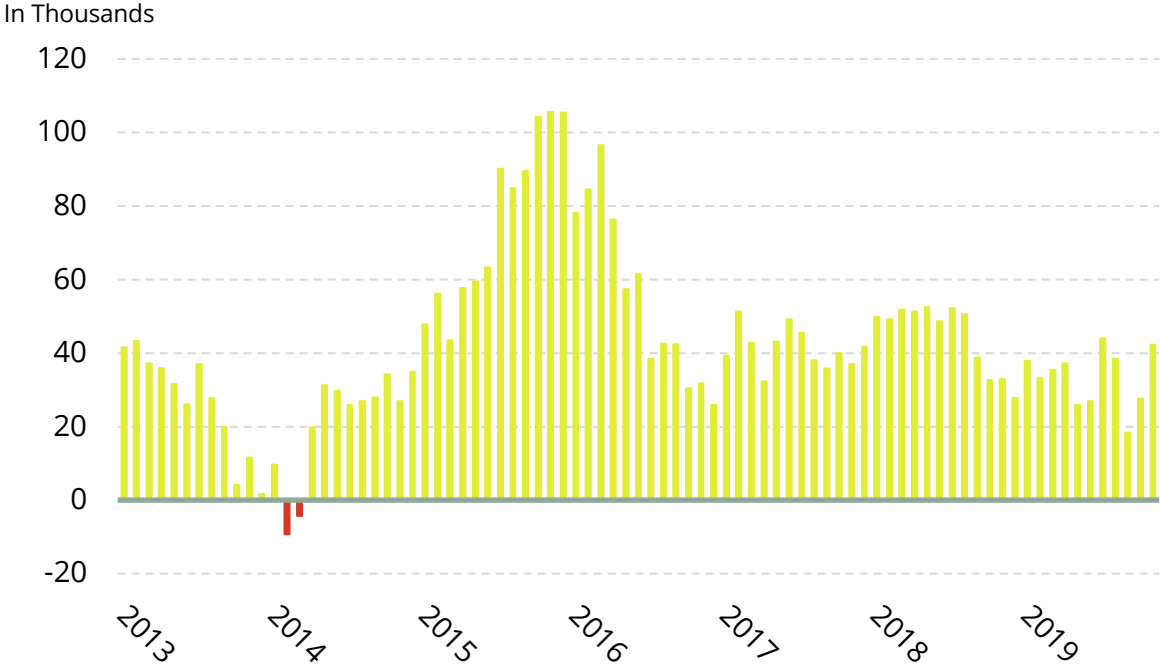
A slowdown in the Northern Virginia market largely drove the overall slower pace of Virginia's sales activity in November.

Low inventories limit housing availability and drive up home prices, making it difficult for first-time buyers, even in this low interest-rate environment.

Economic Overview

Employment in Virginia rebounded in November, with the Commonwealth adding 42,200 net new jobs over November 2018. More than 5 years of steady job growth means that Virginia’s economy remains healthy, which is important for the strength of the housing market.

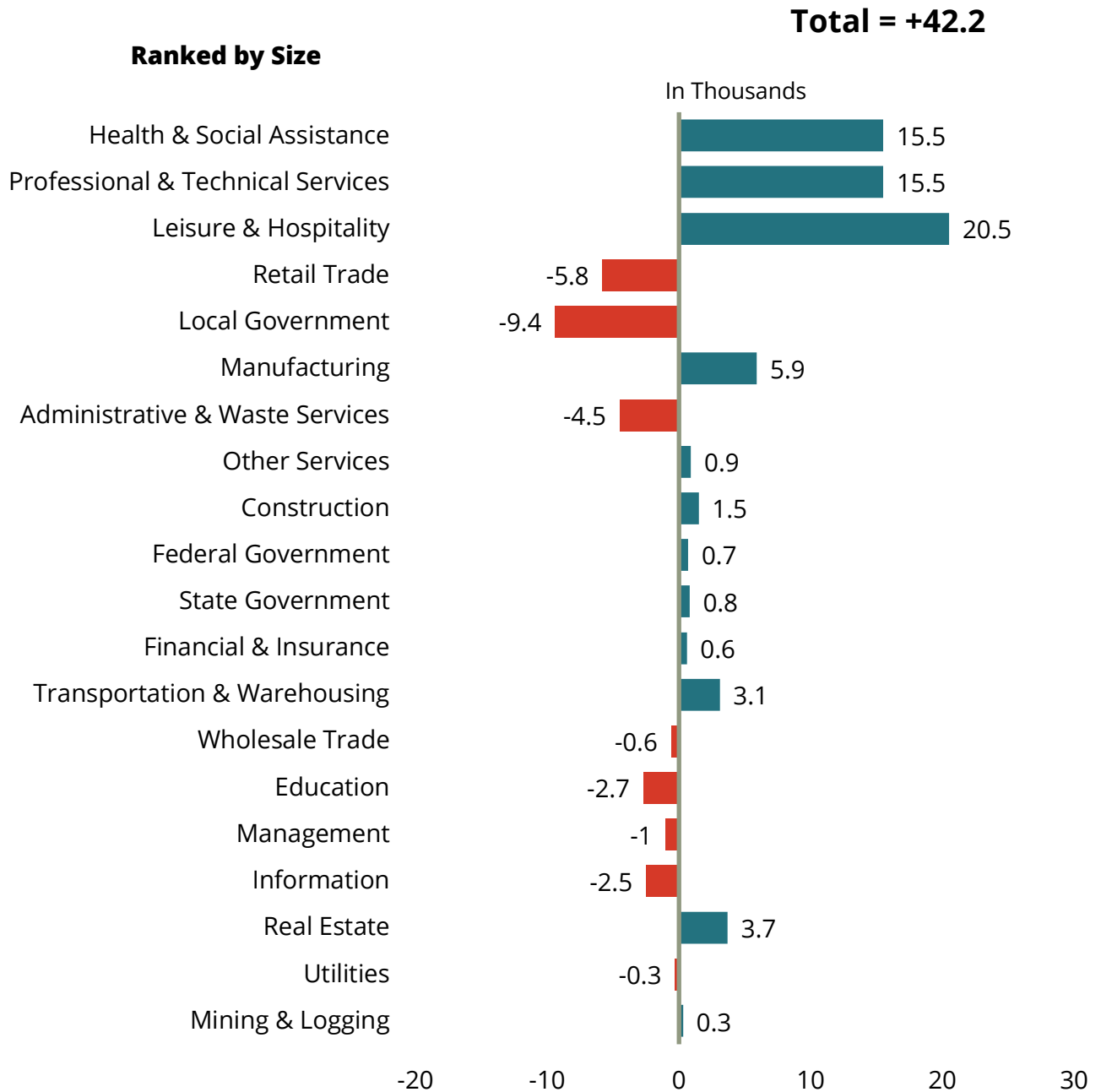
Figure 1
Virginia Annual Change in Jobs



Source: U.S. Bureau of Labor Statistics

Month after month, the state’s three largest sectors continue to post strong gains. In November, Virginia added jobs in the Healthcare & Social Assistance (+15,500 jobs), Professional & Technical Services (+15,500 jobs), and Leisure & Hospitality (+20,500 jobs) sectors. The state’s Manufacturing sector also continues to be a bright spot, with about 5,900 net new manufacturing jobs added between November 2018 and November 2019.

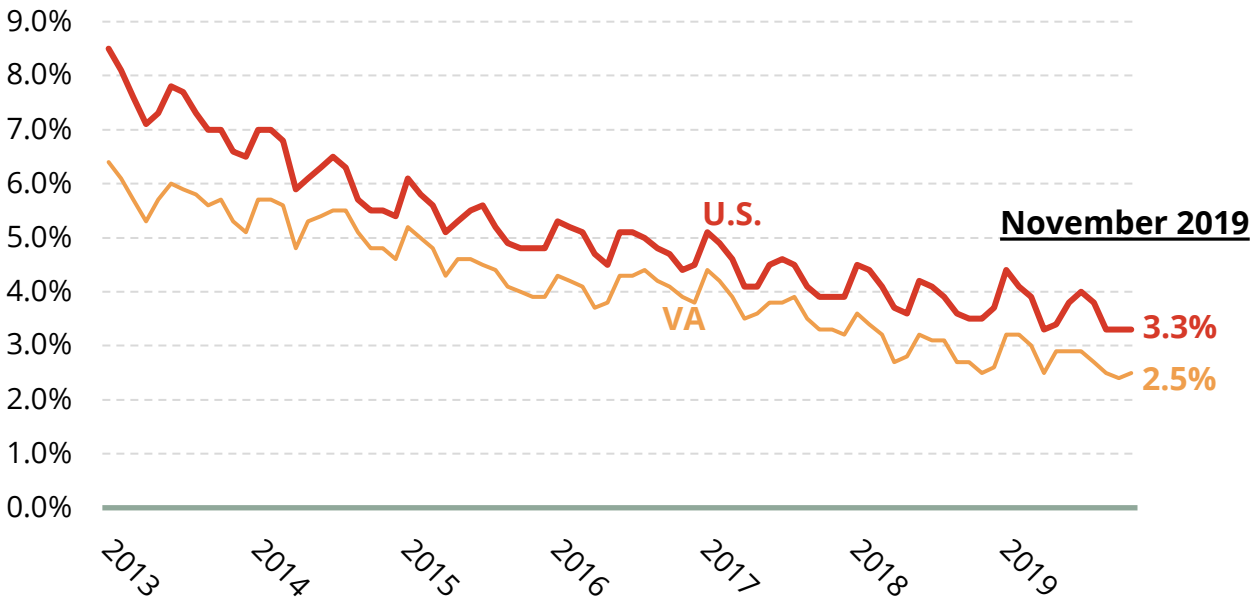
Figure 2
Job Change by Industry, Virginia
November 2018 - November 2019



Source: U.S. Bureau of Labor Statistics

The state's unemployment rate edged up slightly from 2.4% in October to 2.5% in November, while the U.S. unemployment rate remained steady at 3.3%. Extremely low unemployment continues to be a constraint on employers looking for workers to fill jobs in many sectors.

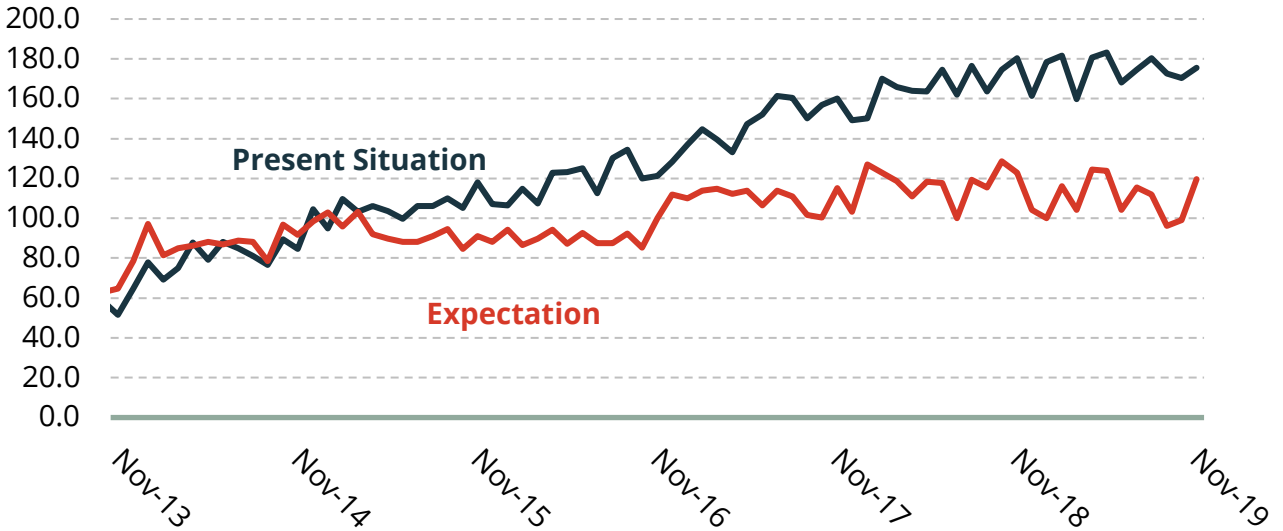
Figure 3
Unemployment Rate



Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

After several months of uncertainty about future economic conditions, consumer confidence was strong again in November. The measure of confidence in households' present economic situations in the South Atlantic region was 175.6 in November, well above the 100 threshold that indicates optimism about the current economy. While lower in October, the measure of consumers' confidence in future economic conditions rebounded in November to 119.6.

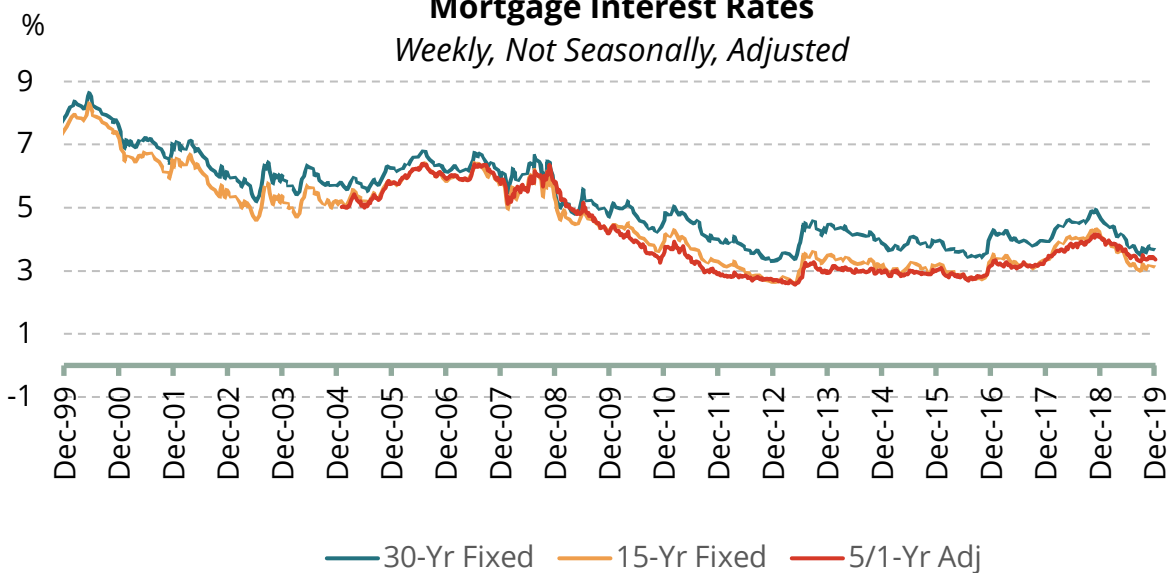
Figure 4
Consumer Confidence
South Atlantic Region



Source: The Conference Board

In the second week of December, the 30-year fixed rate mortgage rate was 3.73%, virtually unchanged from a month ago but nearly a percentage point lower than last December. There are no indications that mortgage rates will rise significantly in the coming months, likely remaining at or below 4%.

Figure 5
Mortgage Interest Rates
Weekly, Not Seasonally, Adjusted



Source: Federal Reserve Bank of St. Louis

Housing Market Overview

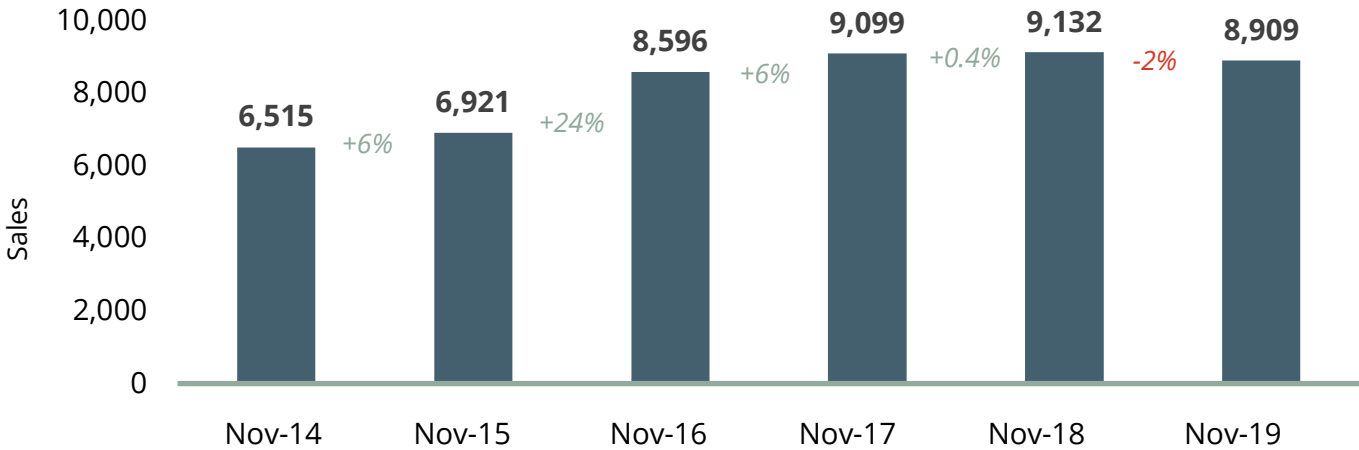
Sales activity slowed down overall in Virginia in November compared to last year. This is the first drop in sales since June and was largely driven by slower sales in the Northern Virginia region. While there were fewer sales, prices continue to climb throughout the state. The median sales price in Virginia climbed by more than \$8,000 in November, a reflection of a tight inventory and continued buyer demand in many local areas. The rising home prices were also reflected in the total sold dollar volume in the Commonwealth, which increased by around \$28 million in November compare to last year, despite having fewer sales transactions this month.

The low levels of supply in the regional housing markets continue to be the big story in many parts of the state. The overall number of active listings on the market in Virginia declined by 19% in November, a reduction of about 7,600 active listings compared to a year ago. As there are fewer homes for sale on the market, the average days on market continues to trend downward, falling 4 days in November compared to last year.

Sales

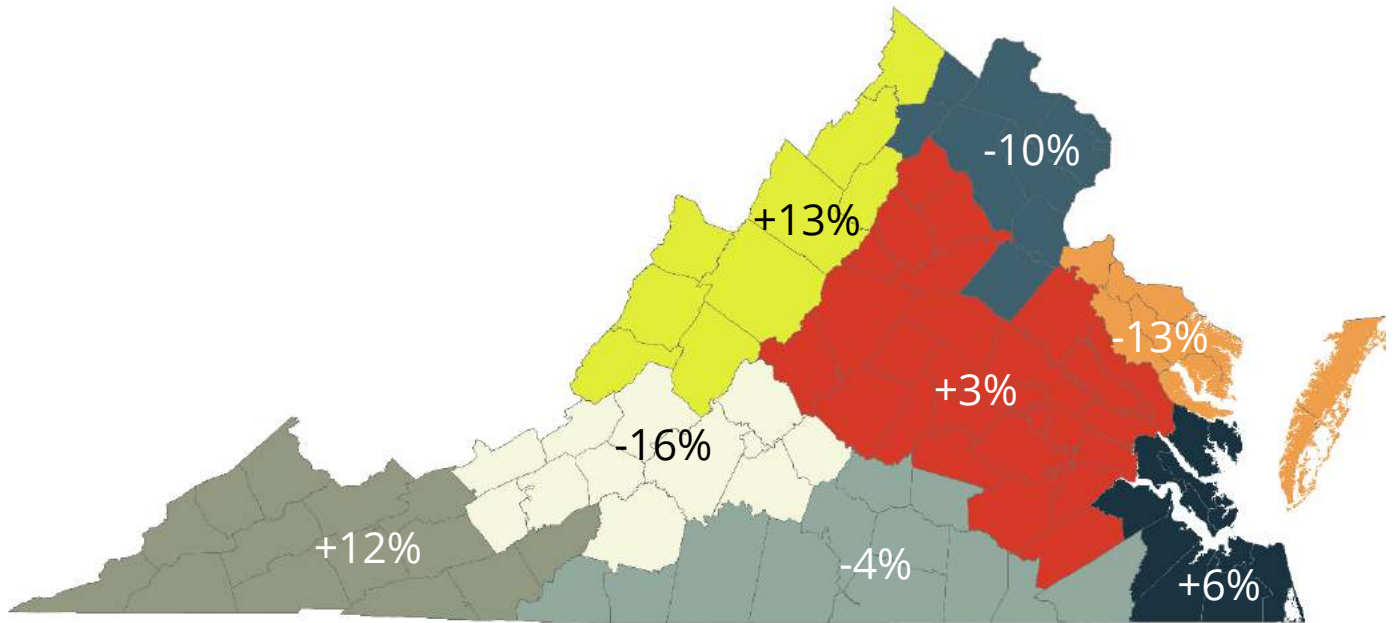
Following 4 consecutive months of sales growth, sales activity slowed down in Virginia in November compared to last year. There were 8,909 sales across the Commonwealth in November, 223 fewer sales than a year ago, a 2% dip. The overall drop in sales this month was largely driven by slower market activity in Northern Virginia. Sales in Northern Virginia fell 10% compared to last November, a decline of 340 sales in the state’s largest housing market. The Western region of the state also had a notable slowdown in sales this month; there were 122 fewer sales transactions compared to last November, a 16% reduction. Hampton Roads continues to be a bright spot in the state’s housing market, leading all region’s in sales growth in November, climbing 6% from last year, a gain of 126 sales.

Figure 6
November Home Sales, Virginia
2014-2019



Source: Virginia REALTORS®, data accessed December 16, 2019

Figure 7
Change in Sales by Region
November 2018 to November 2019



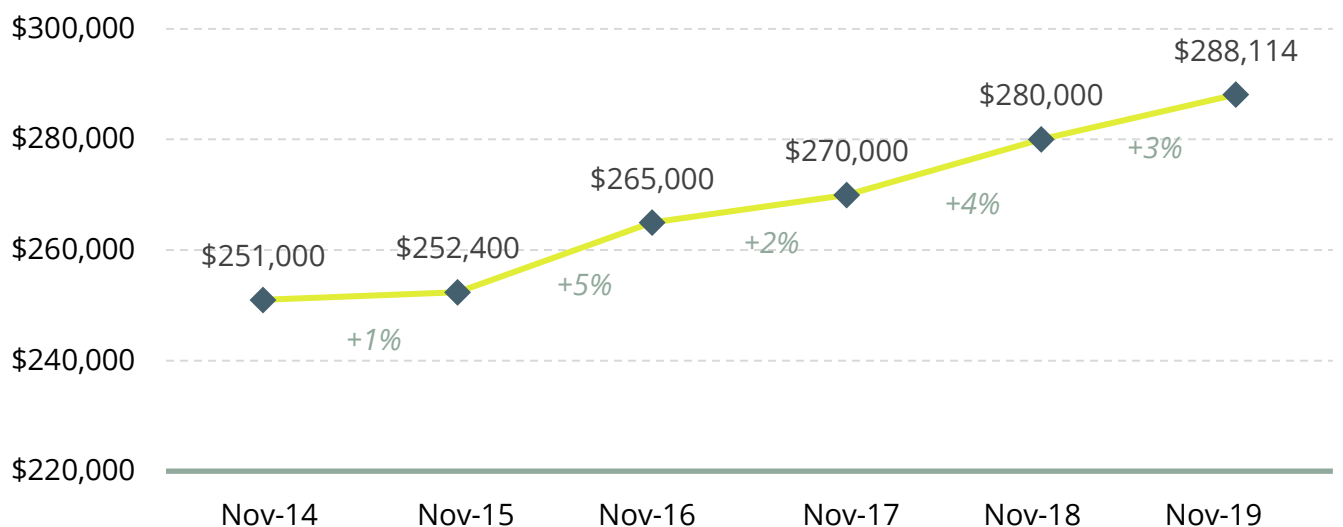
<i>Region</i>	<i>Nov-18</i>	<i>Nov-19</i>	<i>% Change</i>
Central	1,937	2,000	3%
Eastern	204	177	-13%
Hampton	2,064	2,190	6%
Northern	3,308	2,968	-10%
Southside	178	170	-4%
Southwest	188	210	12%
Valley	468	530	13%
West	785	663	-16%
All of Virginia	9,132	8,909	-2%

Source: Virginia REALTORS®, data accessed December 16, 2019

Sales Prices

Upward pressure on home prices continued throughout the Commonwealth in November. All regions in the state had a higher median sales price than this time last year. At \$288,114, the statewide median sales price in November is 3% higher than last year, a gain of over \$8,000. The Eastern region led the state in median sales price growth this month, surging 16% from last November to \$235,000, a \$32,500 increase. The Valley region also had strong price growth in November; the median sales price rose 9% from a year ago, a \$19,275 gain. Overall, sales prices in Virginia have been trending up consistently for several years, largely due to the tight supply of homes for sale on the market, and strong economic conditions that are fueling demand in many regional markets.

Figure 8
November Median Sales Price, Virginia
2014-2019

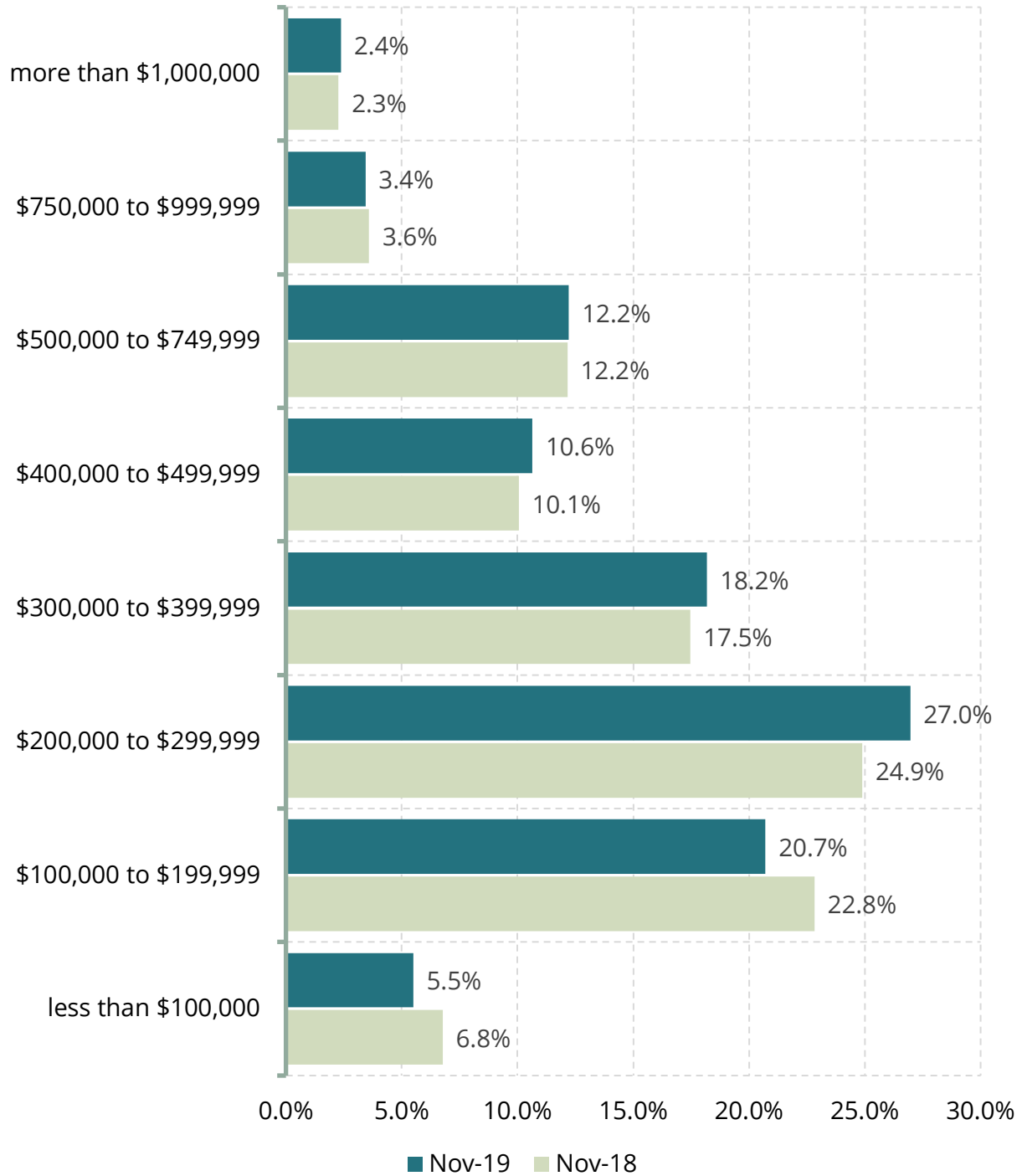


Source: Virginia REALTORS®, data accessed December 16, 2019

The proportion of homes that sold in the \$200,000 to \$399,999 range continues to expand, while homes selling for less than \$200,000 are becoming less common in the state's housing market. This price shift has been gradually occurring over the past several years and is likely having an impact on the first-time home buyer segment of the market in some regions of the state.

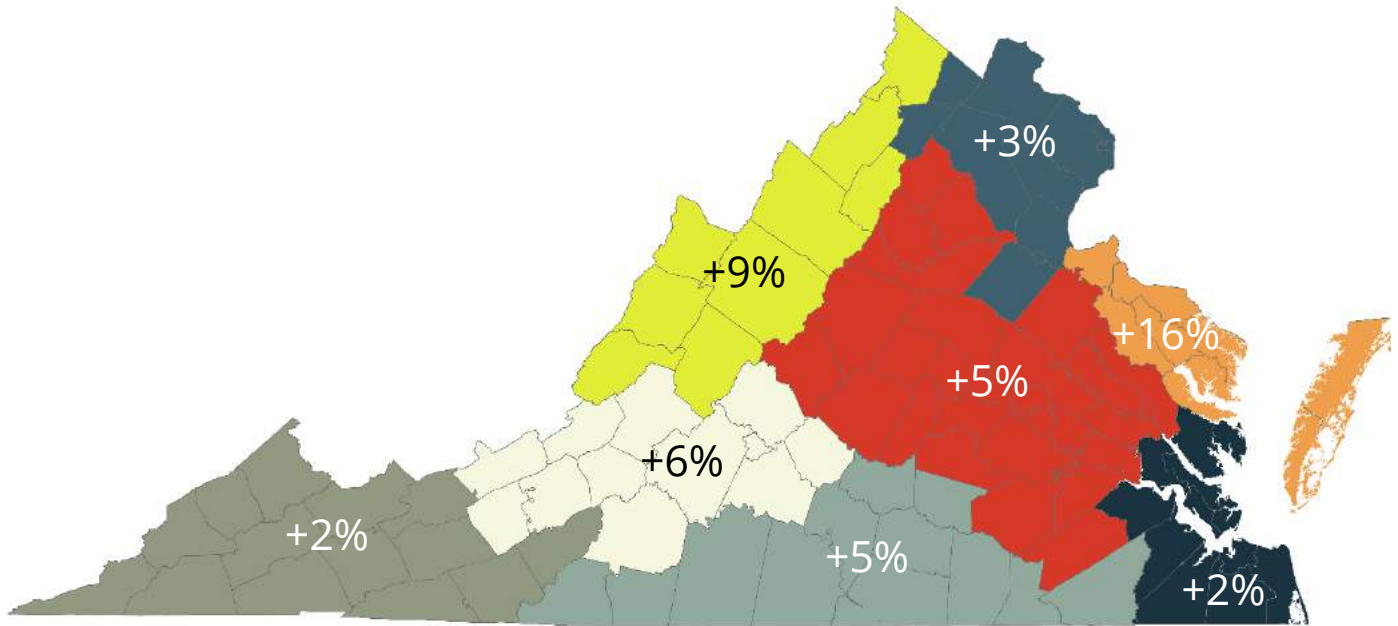
About 45.2% of all home sales in November had a closing sales price between \$200,000 and \$399,999, which is up from 42.4% of all sales at this time last year. Homes that sold for less than \$200,000 made up 26.2% of all sales in November, which is down from 29.6% of all sales a year ago.

Figure 9
Proportion of Sales by Price Range, Virginia
November 2019 and November 2018



Source: Virginia REALTORS®, data accessed December 16, 2019

Figure 10
Change in Median Sales Price by Region
November 2018 to November 2019



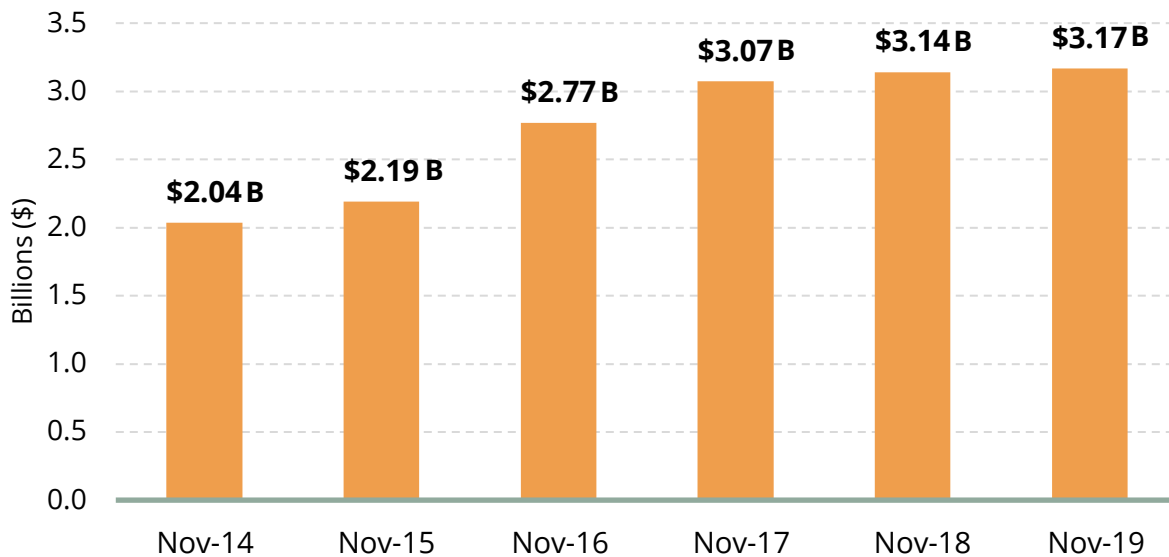
<i>Region</i>	<i>Nov-18</i>	<i>Nov-19</i>	<i>% Change</i>
Central	\$250,000	\$263,500	5%
Eastern	\$202,500	\$235,000	16%
Hampton	\$235,000	\$240,000	2%
Northern	\$430,000	\$445,000	3%
Southside	\$121,000	\$126,500	5%
Southwest	\$130,500	\$132,750	2%
Valley	\$208,000	\$227,275	9%
West	\$179,500	\$190,000	6%
All of Virginia	\$280,000	\$288,114	3%

Source: Virginia REALTORS®, data accessed December 16, 2019

Sold Volume

While there were fewer sales transactions overall in November compared to last year, the rising sales price levels throughout the state led to a modest gain in the sold dollar volume this month. There was approximately \$3.17 billion in sold volume in Virginia in November, an increase of about \$28 million from last year, inching up 1%. Hampton Roads had the largest dollar volume gain in the state, with an additional \$53 million in sold volume in November. The Central Virginia region also had relatively strong volume growth despite only modest sales growth, with an additional \$46 million in sold volume in November compared to last year. Northern Virginia had the largest volume decline, with nearly \$87 million less sold volume compared to last November. The West region was the other part of the state that had a drop in sold volume, with about \$14 million less volume in November compared to last year.

Figure 11
November Sold Dollar Volume, Virginia
2014-2019

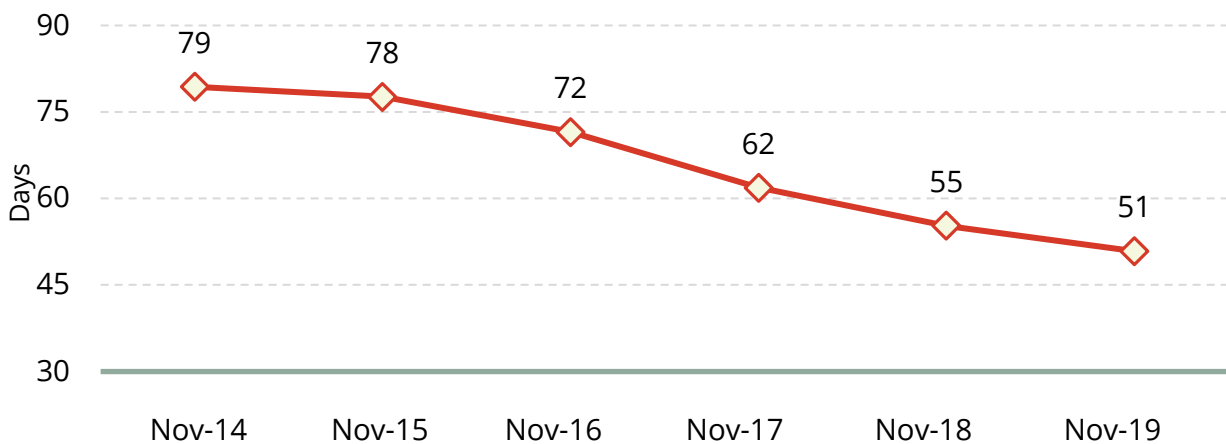


Source: Virginia REALTORS®, data accessed December 16, 2019

Days on Market

The average days on market continues to trend down in most parts of Virginia. Overall, homes that sold in November in Virginia were on the market for an average of 51 days, which is 4 days less than a year ago. Most regions in the Commonwealth also saw a decline in this metric. Homes sold about a week faster, on average, in both Hampton Roads (-6 days), and Northern Virginia (-8 days). The largest drop occurred in the Western region, where the average days on market was 11 days lower than last November. Homes took slightly longer to sell in Southwest Virginia and the Southside region this month, up 3 days and 2 days, respectively. As the supply of active listings continues to decline, local markets around Virginia are becoming increasingly tight which is causing homes to sell faster on average in many areas.

Figure 12
November Average Days on Market, Virginia
2014-2019



Source: Virginia REALTORS®, data accessed December 16, 2019

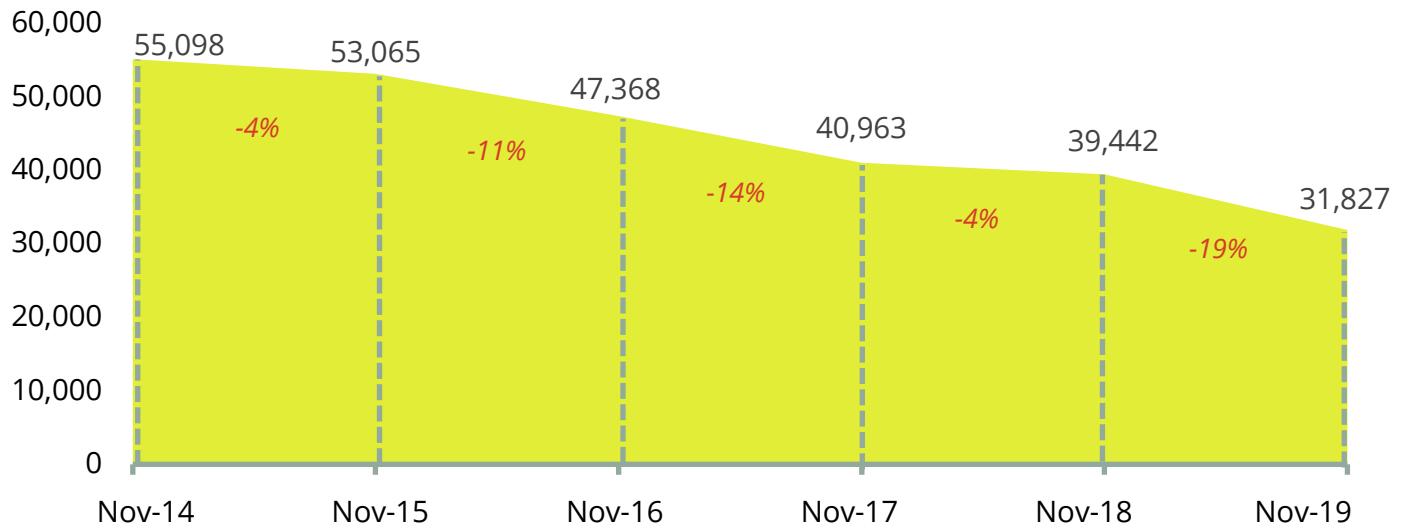
Listings

The inventory in the Virginia housing market continues to shrink, a multi-year trend that is impacting the availability of homes and driving up home prices in many local markets around the Commonwealth. There were approximately 31,827 active listings on the market at the end of November across the state, a 19% reduction from this time last year, a decline of about 7,600 active listings. All regions in the state had a drop in active listings at the end of November compared to last year.

Overall, there was about 3.1 months of supply in Virginia at the end of November, which is down from 3.9 months last year. The months of supply is calculated by taking the average monthly sales over the preceding 12-month period and dividing it by the inventory of active

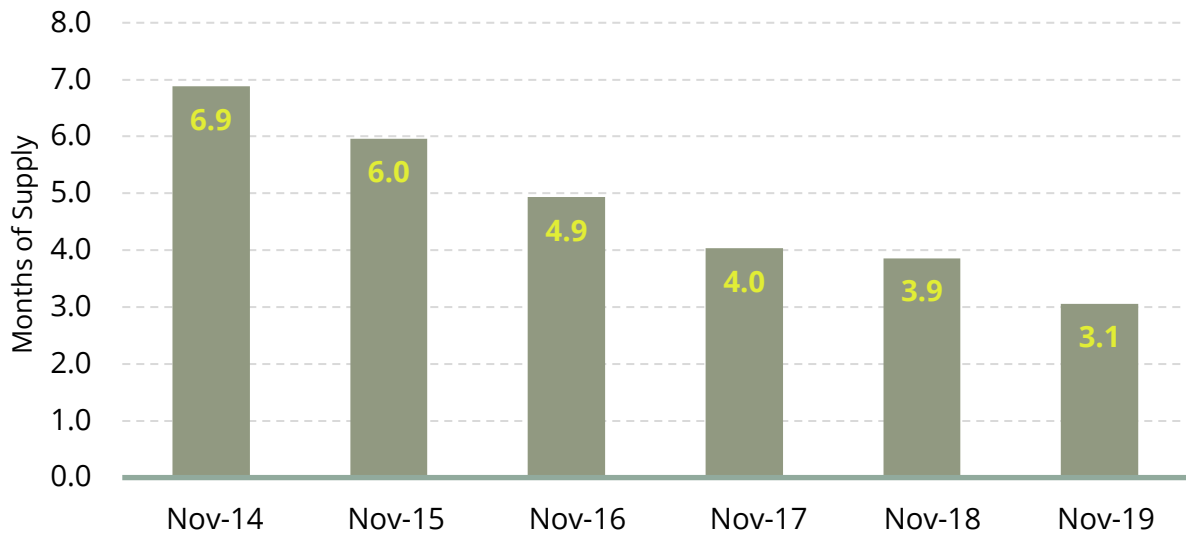
listings. In most housing markets, a supply below 6 months tends to favor sellers rather than buyers.

Figure 13
End of November Active Listing Inventory, Virginia
 2014-2019



Source: Virginia REALTORS®, data accessed December 16, 2019

Figure 14
Months of Supply (November), Virginia
 2014-2019



Source: Virginia REALTORS®, data accessed December 16, 2019



The Virginia REALTORS® association is the largest professional trade association in Virginia, representing nearly 34,000 REALTORS® engaged in the residential and commercial real estate business. The Virginia REALTORS® association serves as the advocate for homeownership and private property rights and represents the interests of real estate professionals and property owners in the Commonwealth of Virginia.

NOTE: The term REALTOR® is a registered collective membership mark that identifies a real estate professional who is a member of the National Association of REALTORS® and subscribes to its strict code of ethics.

All inquiries regarding this report may be directed to:

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Data and analysis provided by Virginia REALTORS® Chief Economist, Lisa Sturtevant, PhD.

The numbers reported here are preliminary and based on current entries into multiple listing services. Over time, data may be adjusted slightly to reflect increased reporting. Information is sourced from multiple listing services across Virginia and is deemed reliable, but not guaranteed.